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UNCLAS TAIPEI 003145

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STATE FOR EAP/RSP/TC AND OES/IHA

STATE PLEASE PASS TO AIT/W, USEPA AND USTR

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USDOC FOR 4431/ITA/MAC/AP/OPB/TAIWAN/MBMORGAN
USDOC FOR 3132/USFCS/OIO/EAP/ABACHER/ADESARRAN
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E.O. 12958: N/A

TAGS: [ECON](#) [SENV](#) [TW](#) [ESTH](#)

SUBJECT: TAIWAN'S NEW PACKAGING RULE: INDUSTRY WORKING ON
COMMENTS

A) TAIPEI 02673

1. Summary. In July 2004, Taiwan's Environmental Protection Administration (TEPA) introduced a draft rule to limit excessive packaging. Foreign industry representatives are strongly opposed to the rule. As reported in reftel, AIT persuaded TEPA to postpone its implementation (originally scheduled for September 2004) to early 2005 and to submit the proposed legislation to WTO for comment. AIT has now also persuaded foreign industry representatives to respond to TEPA's efforts to address their concerns by preparing constructive comments, which include concrete examples of the current draft rule's potential negative impacts to trade and clear recommendations of how the rule should be amended. End Summary.

2. Following TEPA's willingness to slow down the rule-making process to allow for meaningful consultations with foreign business interests and trading partners, AmCham and ECCT members held a meeting with some of the more proactive industry representatives including: COSTCO, Wellcome (the largest foreign supermarket chain in Taiwan), Proctor and Gamble, Channel and Diagio on October 5. AIT's Economic, Agricultural and Commercial Sections all had representatives at the meeting. The business members forged a clear strategy and plan to respond to TEPA's request for comments. They agreed to look at the most egregious cases of packaging waste that, if eliminated, would benefit the environment with minimal impacts to trade. They agreed they would support a rule banning them. They also agreed they needed to articulate for TEPA the legitimate uses of packaging that would be undermined by the proposed rule as currently drafted.

3. To this end, COSTCO and Wellcome agreed to provide examples of the range of products that might no longer be available to Taiwan consumers if the rule went into effect as currently drafted. Channel and P&G agreed to highlight some of the serious problems the draft rule poses to the cosmetics industry. Gillette will draft comments on how the regulation might undermine some of the health and safety benefits of packaging, Diagio agreed to draft the comments on behalf of the alcohol and beverage industry. The business members further agreed that, in addition to providing specific examples of how the rule could harm business interests, they also would provide recommendations for amendments to the rule that would address their concerns.

4. The various industries committed to provide their comments to AmCham and ECCT within the next few weeks. AmCham and ECCT will work together to prepare a presentation for TEPA in a month or so.

5. AIT has learned that TEPA intends to issue the second draft of the rule, which is not expected to be drastically different than the current draft, next week. TEPA has told AIT it will wait until it has responded to comments on its second draft before submitting the rule to WTO for comment. AIT will meet with TEPA, inform them that foreign industry representatives are preparing comments, and request that at least a month be allowed to comment on the draft rule.